

The Office of Public Counsel et al.,
Complainants,
v.
Missouri American Water Company,
Respondent.

V. Missouri American Water Company, Respondent.

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Motion for Procedural Schedule*, states as follows:

2. Thereafter, the Office of the Public Counsel (“OPC”) filed its *Complaint* herein on November 13, 2013, alleging that it had “reviewed numerous formal customer complaints recently filed with the Missouri Public Service Commission” and that these showed that MAWC’s “current billing practices for water and sewer rates and charges are unjust and unreasonable in that numerous customers are being subjected to incorrect and grossly inflated bills for water and sewer service in violation of the rates or charges allowed and authorized by the Missouri Public Service Commission.”

3. On November 22, 2013, the Commission consolidated 25 Stonebridge formal consumer complaints into OPC's complaint and directed its Staff to investigate and file a report by January 7, 2014.

4. After two extensions of time, Staff filed its *Report* on March 14, 2014, almost exactly a year ago. Therein, Staff concluded that MAWC experienced deficiencies in its new *Business Transformation/Customer Information System* that detrimentally affected its customers and its customer service. Staff offered twenty recommendations:

- i. Ensure that each of the Stonebridge customers receive their revised customer billing statement for the six-month billing period of June through November 2013 (Company refers to these as "Summaries").
- ii. Ensure that Customer Service Representatives are properly trained to respond to Stonebridge customers inquiring at some time in the future about their billing statements from June 2013 through December 2013.
- iii. Ensure that no Stonebridge customer accounts are mailed a delinquent notice (a) until the Staff is assured that Stonebridge customers have had an appropriate amount of time to make payment of their revised billing statements for the six-month period of time and (b) until the Staff is assured that the Company is correctly billing the Stonebridge customers each month. The Staff will inform the Company when the mailing of any necessary delinquent notices to the Stonebridge customers can be reinstated.
- iv. Ensure that no Stonebridge customers' services are discontinued due to delinquent nonpayment (a) until the Staff is assured that Stonebridge customers have had an appropriate amount of time to make payment of their revised billing statements for the six-month period of time and (b) until the Staff is assured that the Company is correctly billing the Stonebridge customers each month. The Staff will

inform the Company when the Stonebridge customers' discontinuance of service due to delinquent nonpayment can be reinstated.

- v. Eliminate the water usage charges and the wastewater usage charges for the months of June, July, August, September, October and November 2013 for all Stonebridge customers.
- vi. Review every Stonebridge account for the June through December 2013, inclusive billing periods for unexplainable high water usage. Make credit adjustments to those customer accounts where the high water usage is unexplainable.
- vii. Perform an audit of each premise in Stonebridge to ensure each customer account is assigned the correct wastewater rate schedule: Schedule A or B.
- viii. Provide the Staff 30 Stonebridge customer sample bills each month. The Staff will inform the Company each month of the Stonebridge customer sample bills to be provided and the customer sample bills will be provided to the Staff within seven days following the mailing of the bills to the Stonebridge customers. The Company will provide these monthly sample bills until the Staff is assured that the Company is correctly billing the Stonebridge customers each month.
- ix. Perform an audit of Stonebridge customer accounts of all Wastewater Primacy Fees for months other than January that were charged by MAWC following acquisition of Stonebridge and refund all incorrectly charged Wastewater Primacy Fees to the appropriate customers.
- x. Change the Wastewater Primacy Fee to Sewer Connection Fee on the Stonebridge customer billing statements.
- xi. Implement a meter change program that records images of both meter numbers, both meter reads and identification of the radio frequency equipment and retain the information for two years.
- xii. Eliminate the use of proration of customers' bills as agreed to by MAWC in the Non-Unanimous Stipulation and Agreement in Case No. WR-2011-0337.

- xiii. Comply with all billing and payment standards rules in Chapter 13.
- xiv. Respond thoroughly and promptly within 1-2 business days on informal complaints where the customer is in threat of discontinuance of service and 14-21 days on other billing and service issues, unless agreed upon by Staff and MAWC representatives.
- xv. Ensure that the Company's employees that are Subject Matter Experts regarding customer service issues are available for the Periodic Meetings held between Staff and the Company, which were ordered in Case No. WR-2011-0337.
- xvi. Develop a system to ensure that each customer's call to the Company's call center is documented with detail on the customer's account and includes steps taken to obtain resolution.
- xvii. Develop a system to ensure that all customers contacting the Company's call center requesting a return phone call, receive a phone call in a timely manner.
- xviii. Develop a system to monitor the types of inbound calls received at the Company's call center so that the Company can respond and adjust its operations to critical issues affecting its customers.
- xix. Record 100 percent of all customer calls between call center representatives and Missouri regulated customers. Archive recorded calls in a manner that they may be retrieved and reviewed by the Company as well as by the Staff and the OPC for a period of no less than six months.
- xx. Ensure that the Company's call center representatives are adequately trained in a timely manner to respond to all customers' requests for information. Evaluate the training materials and manner in which call center representatives are trained regarding issues such as billing calculations, wastewater usage calculations, and others.

5. The Staff also stated in its *Report* that MAWC had violated a number of Commission rules, as follows:

a. **4 CSR 240-13.020 Billing and Payment Standards** – Establishes reasonable and uniform billing and payment standards for residential service to be observed by utilities and customers. The utility has not provided (rendered) a bill for each billing period, the utility has failed to provide on each billing statement a bill based on actual usage during the billing period, the utility cannot provide a reason for estimating bills or their efforts to secure an actual reading, the customers are receiving their bill or discontinue notices after the date stated on the bill or notice for when the bill is due or when it will be considered delinquent, and the utility failed to charge the correct tax rate.

b. **4 CSR 240-13.025 Billing Adjustments** – Establishes the requirements for making billing adjustments in the event of an overcharge or an undercharge. The utility cannot explain billing errors or determine the probable period during which the condition existed and is not making all the appropriate billing adjustments for the estimated period involved.

c. **4 CSR 240-13.040 Inquiries** – Establishes procedures to be followed when customers make inquiries of utilities so customer inquiries are handled in a reasonable manner. The utility has failed to promptly and thoroughly investigate, provide qualified personnel who are able to accurately respond to customer concerns, and to provide ledger details of payment since May 2013.

d. **4 CSR 240-13.045 Disputes** – Establishes reasonable and uniform standards for handling disputes between customers and utilities. The Company Service Representatives are not recording all or part of customer disputes by making an account note or by having recorded conversations; the utility cannot determine the amount not in dispute so customers are advised not to pay anything or to pay the full amount disputed; the utility has failed to promptly refund excess moneys paid by the customer; and the utility is not advising the customer of their right to file an informal complaint with the MPSC.

e. **4 CSR 240-13.050 Discontinuance of Service** – Prescribes the conditions under which service to a customer may be discontinued and procedures to be followed by utilities so that uniform and reasonable standards

exist for discontinuance of service. The utility is not in compliance with discontinuance notice requirements.

f. **4 CSR 240-13.070 Commission Complaint Procedures** – Sets forth the procedures to be followed prior to and in filing formal or informal complaints with the commission regarding matters covered in Chapter 13. The utility failed to advise customers of their right to file an informal complaint when a dispute cannot be resolved between utility and customer.

g. **4 CSR 240-10.030 Standards of Quality** – Prescribes standards of quality for electric, gas and water utilities operating under the jurisdiction of the Commission. The utility has failed to keep correct customer records and to comply with service quality standards.

6. On April 18, 2014, MAWC responded to Staff's *Report*, explaining the nature and goals of its *Business Transformation/Customer Information System* and further noting that it had warned the Commission and Staff that there would be "growing pains" associated with its implementation. In particular, MAWC stated in its *Response*:

As predicted and reported by MAWC to the Commissioners, there have been growing pains associated with the software implementation. However, MAWC does not agree with Staff's allegation that these growing pains represent violations of Commission rules. . . .

7. Since that time, nothing has occurred in this case beyond the filing of a few status reports, the latest of which was filed by OPC on July 31, 2014. Therein, OPC stated:

On June 25, 2014, the Commission issued an Order in WO-2014-0362 directing Staff to investigate the adequacy of the customer service call centers operated by MAWC and requiring Staff to file either its final report on its findings or a status report no later than August 4, 2014. * * * Public Counsel requests that the Commission grant it 30 days after the filing of Staff's Final Report in WO-2014-0362 to file its next Status Report in this Complaint.

8. Additionally, MAWC has settled with a few of the Stonebridge consumer complainants.

9. Staff anticipates filing its *Report* in Case No. WO-2014-0362 on or about June 15, 2015. In the meantime, Staff suggests that it is appropriate to establish a procedural schedule for the hearing and final determination of these matters.

WHEREFORE, Staff prays that the Commission will establish a procedural schedule herein; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

/s/ Kevin A. Thompson

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed with first-class postage, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 16th day of March, 2015.

/s/ Kevin A. Thompson